

Skift Global Forum 2023: 10 Takeaways for the Future of Hospitality and Travel

Presented by:





Introduction

Skift Global Forum, Skift's flagship global conference on the business of travel, once again returned to New York City for its September 2023 session to decipher the big trends facing the travel industry and unpack what's top of mind for the world's top travel leaders and innovators. Travel leaders came ready to discover what's next for the industry, with many discussions particularly exploring how the original promise of travel — human-to-human connection — will be enhanced and tested in an age of AI.

For this report, Skift partnered with Accor to provide an overview of some of the most important conversations and insights shared by industry leaders at this year's event. In the sections that follow, topics are explored across aviation, hospitality, destination marketing, online booking, and more, through executive interviews, deep-dive panels, and Skift research.

Questions addressed in this report:

- ▶ How are travel's most creative leaders staying ahead of consumers?
- ▶ Who will win in an increasingly competitive booking ecosystem?
- ▶ How is tourism evolving to balance growth and sustainable practices?
- ▶ Can tech finally streamline a multifaceted experiences ecosystem?
- ▶ What are brands doing to operationalize sustainable travel and make it enticing?
- ▶ What are the macroeconomic trends and signals that will impact travel's future?

Speakers highlighted in this report:

- ▶ Eric Phillips, Senior Vice President and Chief Digital Officer, Delta Air Lines
- ▶ Ben Ellencweig, Senior Partner, Stamford, McKinsey & Company
- ▶ Gary Morrison, CEO and Executive Director, Hostelworld Group
- ▶ Lauren Razavi, Executive Director, Plumia
- ▶ Spencer Rascoff, Co-Founder and CEO, 75 & Sunny Ventures
- ▶ Johannes Reck, CEO, GetYourGuide
- ▶ Jason Calacanis, Technology Entrepreneur and Angel Investor
- ▶ Brad Gerstner, Founder and CEO, Altimeter
- ▶ Geoff Freeman, President and CEO, U.S. Travel Association
- ▶ Fred Dixon, President & CEO, New York City Tourism + Conventions
- ▶ Greg O'Hara, Founder and Senior Managing Director, Certares
- ▶ Omer Acar, CEO, Raffles & Orient Express, Accor

A Message From Accor

Hospitality today is a delicate balance of care and customization, humility and humanity, and sustainability and technology. The advent of artificial intelligence is rapidly permeating our culture, and the travel industry has only begun to explore how we can harness its capabilities to enrich the experiences of guests and loyalty members.

Achieving the right balance of digital augmentation and human interaction is tricky, particularly in the ultra-luxury sphere. The two legendary brands of which we are privileged to be custodians, Raffles and Orient Express, are distinguished and enriched by their histories, authentic storytelling, and the warmth of the human encounter — all elements that are yet to be successfully replicated by AI. Yet we know that when our teams on the ground have access to guest histories and personal preferences, they are better equipped to anticipate the needs of travelers and more empowered to create meaningful, bespoke experiences. When technology helps us make hospitality more personal, brand love and loyalty grow. Therein lies our industry's opportunity with AI.



Generative AI is arriving at a fascinating time in our industry. We are in the midst of reshaping tourism to be a fully sustainable business. We have no choice — the fate of our destinations relies upon it. We have weathered countless obstacles, and yet we are fortunate that despite ongoing threats and constraints, travel spending is being prioritized by nearly all demographics, across all segments, from budget to ultra-luxury and from modern lifestyle concepts and boutique collections to our prized, historic landmarks.

However, we are in somewhat of a holding pattern too, poised for much bigger action, as two of the world's biggest outbound travel markets — China and India — continue to focus on domestic tourism. While this is a boon to hospitality and development in these countries, we know that once international travel from these markets resumes with force, the rest of the world is in for a new phase of recovery beyond anything we have experienced.

This is a golden moment for global hospitality brands, as we prepare ourselves for a new era. At Raffles, we have a vision that goes beyond hospitality, to inspire and uplift all those in our communities whose lives we touch. At Orient Express, we have the opportunity to travel beyond a world of dreams. With the right people and platforms, these are opportunities we are excited to embrace.

Omer Acar

CEO, Raffles & Orient Express

Accor



Re-defining hospitality

Accor is a world leading hospitality group offering meaningful experiences in 5,500 hotels across more than 110 countries. With its portfolio of 40+ brands, it reinvents hospitality in tune with evolving needs and new ways of living, traveling and working. ALL – Accor Live Limitless, its world-class lifestyle loyalty program and booking platform, is the cornerstone of Accor's vision of Augmented Hospitality and integrates the widest range of leading brands, rewards and experiences

ORIENT EXPRESS \ RAFFLES \ FAENA \ BANYAN TREE \ FAIRMONT \ MANTIS \ EMBLEMS \ SOFITEL \ MALLERY

ENVIRO 21C MUSEUM HOTEL \ 25HOURS \ DELANO \ GLENEAGLES \ HYDE \ JO&JOE \ MAMA SHELTER \ MONDRIAN
MORGANS ORIGINALS \ SLS \ SO \ THE HOXTON \ WORKING FROM \ RIXOS \ PARIS SOCIETY

ART SERIES \ PULLMAN \ SWISSÔTEL \ MÖVENPICK \ GRAND MERCURE \ PEPPERS \ THE SEBEL \ MANTRA
HANDWRITTEN COLLECTION \ NOVOTEL \ MERCURE \ TRIBE \ ADAGIO \ BREAKFREE \ IBIS \ IBIS STYLES \ GREET
IBIS BUDGET \ HOTELF1

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**Eric Phillips**

Senior Vice President
and Chief Digital Officer,
Delta Air Lines

How Tech Can Unlock the Promise of Travel

Expanding on a new report from McKinsey & Company and Skift Research, panelists explore the promise of travel in the age of AI through three pillars.

**Ben Ellencweig**

Senior Partner, Stamford,
McKinsey & Company

Know Your Customers Like You Know Your Friends

Eric Phillips: The travel industry is rooted in optimism around the trip itself, where you are going, and how you'll connect with others. Whether the interactions that you have with Delta are on a mobile device, our website, on the phone with a reservations specialist, or in-person with a gate agent, our focus is how to ensure that our customers are having interactions with Delta employees that feel welcoming, caring, and elevated. Digital is that thread that connects all of that.

Ben Ellencweig: AI is already changing customer expectations. Travel is unique in that unlike many industries, it touches consumers and businesses. It's B2C, but is also a massive B2B effort. We expect real-time answers, and there are so many moving parts, let alone the legacy system that it encompasses.

So there is a massive opportunity to ask ourselves what we can do with generative AI, and AI in general.

Design Your Products to Surprise and Delight

Phillips: Whether a traveler is interacting with Delta online or at the airport, the digital experience is always about defining what that seamless journey looks like. We're exploring the many small ways we can make that better tomorrow than it is today, and that is how transformation truly occurs.

There are so many tools and systems within AI, which we have been using for a long time. There are massive machine learning tools that we are using on the commercial side, both from a pricing and revenue management perspective. When you think of demand forecasters and the massive amount of data they have showing how customers book their trips, when they book their trips, and the price they are willing to pay, that is AI.

We certainly see what's available from a technology and tools perspective accelerating, and we're

**Wouter Geerts**

Director of Research,
Data Product, Skift



utilizing that in the customer experience and operations side, which has been a big unlock for us. The way we use data and personalization now is also changing rapidly, and assists in our ability to say, 'We know you — our customer — and we value your time.'

Empower Your Workforce to Follow Through on Promises Made

Ellencweig: We are in the early days of AI, and just like the introduction of the calculator or word processor prior, some professions will change — but it will also allow for increased productivity in the ability for people to hand over more mundane tasks and focus on other areas of interest.

At McKinsey, we created a virtual assistant for every employee. We are in beta version, but we have over 18,000 people using it daily, with our super-users using it 70 times a day. AI can help us make that leap in updating infrastructure by connecting multiple databases into one insight pretty quickly.

In terms of implementation, there are three key steps. First, educate: Make sure that by the end of the year, every employee touches generative AI. Second, experiment: Understand how AI fits with different vendors or legacy systems. Third, scale: Reimagine your customer experience and redesign workflows to create something much better — not simply incremental.



Gary Morrison
CEO and Executive
Director,
Hostelworld Group

Turbo Charging Human Connection in Travel

Gary Morrison discusses how the hosteling category naturally facilitates traveler connections and how offering an AI-powered portfolio has fundamentally changed its approach to travel products.

Experiences and social interaction are key to hostel travelers, with up to 66 percent traveling solo and many customers making multiple trips each year.

With hostels offering a wide range of events and excursions to help travelers meet new people, AI has a tremendous opportunity to offer more nuanced and personalized suggestions and connect groups online for socializing, as Hostelworld has been doing through new products. By going beyond the standard set of control questions during the guest planning stage, AI can help address the more complicated variations on preferences for all types of travelers.

Three Takeaways on Hostel Travelers

1. These travelers often use their vacation as a way to meet new people.
2. They often decide where to go and what to do based on who else is going.
3. AI will supercharge their experience and power human connection in travel.

**Lauren Razavi**

Executive Director,
Plumia

Where The Great Merging Goes From Here

The continued growth of global nomadic workers presents an opportunity for improved cross-border collaboration, in which the team at Plumia is working to create solutions to better benefit businesses, countries, and workers alike.

With the rise of the nomad workforce and countries increasingly competing for global talent, Lauren Razavi and her team at Plumia see an opportunity to build both a global safety net and create a Nomad Border Pass in cooperation with local businesses, governments, and citizens.

The exponential growth of nomadic workers is expected to continue so that by 2025, up to one-third of the U.S. population could be digital nomads, which would make nomads a significant target market and demographic. Razavi and Plumia have concerns over visa disparity and passport privilege being barriers to a diverse global workforce and opportunity and are striving to find solutions for the future.

According to Razavi, 16.9 million U.S. residents self-identify as digital nomads, there's been over 130 percent growth of the digital nomad population since 2019, and 72 million people plan to become digital nomads over the next three years.

Nomads have a flexible attitude towards location, connecting, and collaborating across borders, therefore unlocking unlimited potential for businesses. In recent years, over 80 countries have now launched nomad visas, with more than 20 offering nomad tax breaks and six offering to pay nomads to relocate. Razavi states, "The world that exists in 100 years depends on the decisions we make and the infrastructure we build today."

**Spencer Rascoff**

Co-Founder and CEO,
75 & Sunny Ventures

**Sara Kopit**

Editor-in-Chief, Skift

What Travel Can Learn From Tech Disruptors

With travel industry leaders quickly adapting AI into existing operations, Spencer Rascoff explores how it will impact business and consumer behavior.

Sara Kopit: What do you think the big opportunity is for AI in the travel industry?

Spencer Rascoff: I have been impressed with how quickly the legacy incumbent leaders are moving and incorporating AI into their businesses and products. It should come as no surprise as some companies already had huge teams of people working with AI long before ChatGPT, so of course these businesses had a head start in training models with larger data sets.

Kopit: Do you agree that AI will remove the drudgery of jobs, and allow for more time spent elsewhere?

Rascoff: It will definitely remove some of the drudgery, it already is. When it comes to using

ChatGPT or other AI tools in your daily work, it can take a while to form the habit, much like we have with Google over the past twenty years. But once you start using it to draft emails, summarize articles, do research, or plan a trip, it forms a customary practice.

Kopit: What is the value prop for OTAs here?

Rascoff: The most obvious ones are around search and complex travel planning. Meaning the search form paradigm of entering dates, origin, destination, and budget will eventually disappear and become a free-form search experience. It's going to be a much better experience and a more natural way to search for travel.



Johannes Reck
CEO, GetYourGuide

An Inflection Point for Unlocking the Experience Market

As a leading travel platform for booking activities, GetYourGuide is tapping into the \$320 billion travel experiences market that is growing at a rate of more than 10 percent per annum. CEO Johannes Reck explores what awaits us over the next 10 years.

An Opportunity for Transformation

There are over 850,000 tourism and management product suppliers worldwide — many being small and medium-sized businesses that welcome fewer than 5,000 guests any given year. These businesses do not have large operational departments, and only about 30 percent of transactions in the space are made online right now. This outlines real opportunities for digital marketplaces in the experience economy over the next decade.

AI Will Transform How Experiences Work

When consumers think of experiences, they have three things in mind: connection, emotion, and creating unforgettable memories. AI will transform how travelers partake in experiences by modernizing

the way people search and discover options, through more complex queries and interactive content that harness data. Through this optimized customer journey, more data signals can be collected to advance AI's ability to customize selections, creating a more immersive training process and shaping the future of booking experiences.

Three Core Pillars Ripe for Improvement

Reck says there are three core pillars for experience suppliers to improve and serve customers in a better way: operations, insights, and content. AI can remove these operations so that the focus can return to the business and creativity, offer insights that can help suppliers respond in real time to customer needs, and help create more dynamic, category-defining content made for global audiences.



Jason Calacanis
Technology Entrepreneur
and Angel Investor

Travel's Future as AI Reshapes The World

With the rapid change AI is bringing to the world around us, Jason Calacanis and Brad Gerstner discuss their vision of the future, and how it will both disrupt and reshape the travel industry and beyond.



Brad Gerstner
Founder and CEO,
Altimeter

Rafat Ali: Is the travel boom over? And how should OTAs think about the next phase of travel?

Brad Gerstner: The human desire to travel, move, and have experiences is only increasing. What stands in the way of that is human productivity and our capacity to access it. The secular trend around travel is as steep as ever, but the cyclical trend around what we have all just gone through during the pandemic — those cycles don't go away. The travel demand forecast is starting to flatten out post-revenge travel, as consumers are increasingly under economic pressure.

As much as I love OTAs, they are effectively search engines in the underbelly of Google. I look forward to when I can ask my general-purpose AI — who will know everything about me — to book my travel.

Ali: What is the value of being early in the AI world?

Jason Calacanis: "Early" in the world of technologists is somewhere between six and 12 months. We are essentially in year zero — it's the first year of consumers really using AI — and it is going to be the most disruptive trend of our lifetime. It will be more disruptive than the internet, mobile, cloud, and the



Rafat Ali
Founder & CEO, Skift



PC revolution. Altogether, those were the prequels to the main event, which is going to be massive job destruction paired with massive efficiency and the newfound ability to solve the world's most complex problems.

Ali: The travel industry is one of the largest employers. When you think about investing and looking at the world from a tech perspective, how do you reconcile this?

Gerstner: Is this good or bad for the travel companies? What does this mean for the social contract in America? These are the profound questions we will struggle with for the next decade. This will be the single largest labor displacement in the history of capitalism. There is also the classic innovator's dilemma: Do

your economic business models and the talents and treasures you have inhibit your ability to reinvent yourself?

Calacanis: There have been other important trends that have occurred while AI is happening. For example, while this massive efficiency has happened, people's costs have gone down. And then you have the generational change: For example, Gen Xers wanted to be successful, work hard, and be in charge, while millennials got a little softer on that. Now Gen Z is focusing more on experiences and the freedom to work less and live more. Fortunately, it's the travel industry that benefits from Americans wanting longer vacations, more free time, and the ability to live differently than they have been living.

**Seth Borko**

Director, Skift Research

Skift Research Presentation: The State of Travel

Seth Borko presents Skift's perspective on the biggest shifts in global travel right now.

How Long Will the Travel Boom Continue?

Travel business revenue has started to normalize, as we can see in the data of 200 of the largest publicly traded companies in the travel industry. We saw the hyper-growth rebound after the pandemic, which has since decelerated from the pent-up demand. Yet the travel industry is still under-indexed relative to economic output, with each sector recovering and region growing at its own pace.

What Does Back to Normal Look Like?

When looking at forecast data based on YTD growth, three themes emerge: Long haul travel will return with a vengeance after the initial domestic travel

boom post-pandemic, channel wars are set to flare up again in terms of distribution, and finally, the return of business travel numbers after an initial focus on leisure.

New Tech Will Upend “Normal” All Over Again

New technology has the potential to disrupt and transform the travel industry. Skift research estimates that generative AI is a \$30 billion opportunity for the industry and will introduce new ways of working and doing business. It has identified four ways that AI will have the most impact: developer efficiencies, customer support, reputation, and search. However, as we begin to work in different ways and customer behavior adapts, the emotional core of travel will remain, as it is essentially an aspirational experience.



Geoff Freeman
President and CEO,
U.S. Travel Association

A Big Picture View on Travel's Growth

On the topic of the future of travel growth, Geoff Freeman and Fred Dixon discuss how to attract international travelers back to pre-pandemic levels and how excessive visa delays have hindered that recovery.



Fred Dixon
President & CEO,
New York City Tourism +
Conventions

The U.S. Has Still Not Made a Full International Travel Recovery

The return of Chinese tourism to its pre-pandemic levels is key to a full U.S. international traveler recovery. Chinese outbound sentiment ranks the U.S. as a top 10 desired destination: the U.S. is among their top three destinations for flight searches and visa applications but slips to number nine for actual action to travel. However, there is a positive trend emerging from markets like India, where there is a substantial increase in people obtaining visas to travel to the United States.

"It's hard to get back to the level we need to be at and really reach our potential without China," says

Freeman. "There are very big issues, like visa wait times inching up to 200 days, in a system that is overwhelmed. We are concerned about that and very engaged."

Ongoing Visa Delay Issues Continue to Inhibit Travelers

Some of the U.S.' top inbound travelers — including India, Brazil, and Mexico, among others — are facing extensive waits just to get an interview with a U.S. consulate for a visa, resulting in a negative, unwelcoming message to those travelers.

Other countries have taken proactive measures to improve these issues. Canada, for example, has waived visa requirements for 11 countries, and the UK



Dawit Habtemariam
Global Tourism
Reporter, Skift



now has visa-free travel for over 100 markets, giving them both a competitive edge. According to Freeman, there are currently six ways that the U.S. government is failing the traveler and doing real harm — which he predicts will cost the economy about \$12 billion in 2023 alone. These include:

- ▶ 10 to 13-week wait for U.S. passport applications
- ▶ 400-plus day average wait for visitor visa interviews
- ▶ 4 to 6-month average wait for global entry approval
- ▶ 12 to 14-month average wait for Nexus approval
- ▶ 1-plus hour wait at TSA Prechecks
- ▶ 2-plus hour wait at U.S. Customs and Border Protection points of entry

“We have to be advocates for the industry in this country and ensure that our federal government understands the implications of their decisions and the concrete steps they can take to make better policy,” says Freeman.

Recalibrating Efforts to Attract Emerging Markets

“There are two big bright spots,” says Dixon. “One, we are nearing a threshold where more people in the world today have U.S. visas than ever in history through the introduction of 10-year visas in as many markets as possible. Two, the demand is high, which is good news for a destination. The power of tourism transforms communities and drives revenue and development. Travelers have more options than ever before, and as more countries roll out more welcoming policies and easier access, our markets will be challenged.”

**Greg O'Hara**

Founder and Senior
Managing Director,
Certares

Investing in Travel's Future

Greg O'Hara discusses investing in travel through previous disruption and seeing the opportunities now in a changed industry rapidly evolving through technology and globalization.

**Rafat Ali**

Founder & CEO, Skift

Rafat Ali: Talk about continuing to invest in travel over the pandemic.

Greg O'Hara: Every time there is a disruption, travel reverts to a demand curve that outperforms the GDP. Consumer spending patterns have shifted that may more than offset travel. For instance, with the younger generations, the GDP has flipped from where it was 15 years ago, to 80 percent services and 20 percent goods.

Some of this is explainable through the fact that people are starting to value services over goods. If you look at all consumer spending patterns, for example, entertainment is relatively flat, but travel and wellness are up. One could take the opinion that over time, people will continue to spend money on travel, and the best forward indicator of that is cruise line bookings and its record wave season this year.

Ali: The U.S. domestic market was hurt recently with Americans flying abroad to Europe in record numbers. Has summer travel changed forever?

O'Hara: For example, Italy is largely a domestic travel market for Italians. But this year, more Italians traveled to places like Egypt and Tunisia than vacationed in Italy. The reason for that is twofold: First, the domestic experience has changed for them, given the number of foreign travelers. Second, Italians have been priced out of their own market. Another good example is the Middle East, which has spectacular regional traffic numbers. Tourism ministers and investments in the region have a huge vision — they're giving local travelers more places to go and things to do than ever before to keep them close.

Ali: On a board level, does AI come up?

O'Hara: Yes, AI comes up in every board meeting. It's important for me on a practical basis to know what exactly it is. Whether you call it AI, automation, or robotics, we view it as a partner for systems, like customer experience.



Omer Acar
CEO, Raffles & Orient
Express, Accor

Redefining Luxury in a Modern World

Embracing its distinctive brand of aspirational travel and lifestyle, Accor is preparing for what luxury means now and how it will grow its vision into the future of hospitality.



Peden Bhutia
Asia Editor, Skift

Peden Bhutia: What does luxury mean to you as we redefine luxury in a modern world?

Omer Acar: I would define luxury as time — the time that you don't get to spend with your family, the time that you don't get to give yourself to recover — these are things that we cannot recreate. When it comes to hospitality, the guests who come to our hotels are investing their time with us, so what we do with that time is very important. We are creating a desire for them to return.

Bhutia: Who is the affluent customer, and is this person the same as the luxury traveler?

Acar: We should pay the same attention to the guest who walks into our property to celebrate their anni-

versary as we do to the one who comes four times a year. It is important that everybody who wants to connect and enjoy luxury through our offerings feels that they are part of the structure and delivery of that luxury experience and are prioritized and engaged with by our team.

Bhutia: Where does AI and machine learning come into play?

Acar: There is a lot of learning to be done here, though it could particularly be used in the back of the house. AI will not deliver for us, but it can act as a support system for us.

About Skift

Skift is the largest industry intelligence platform, providing media, insights, and marketing to key sectors in travel. Through news, research, conferences, exclusive interviews, strategic sector-focused newsletters, and more, Skift deciphers and defines the global trends that matter to the marketers, strategists, and technologists shaping the industry.

SkiftX is Skift's in-house content marketing studio, working collaboratively with partners like Accor, Dubai Tourism, AWS, Expedia, Allianz Partners, and many more to help brands solve problems, create unforgettable moments, and communicate big ideas through content, research, and event activations.

Visit skiftx.com to learn more or email skiftx@skift.com.

About Accor

Accor is a world-leading hospitality group offering experiences across more than 110 countries in 5,500 properties, 10,000 food & beverage venues, wellness facilities, and flexible workspaces. The Group has one of the industry's most diverse hospitality ecosystems, encompassing more than 40 hotel brands from luxury to economy, as well as Lifestyle with Ennismore.

Accor is committed to taking positive action in terms of business ethics & integrity, responsible tourism, sustainable development, community outreach, and diversity & inclusion. Founded in 1967, Accor SA is headquartered in France and publicly listed on Euronext Paris (ISIN: FR0000120404) and on the OTC Market (Ticker: ACCYY) in the United States.

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